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United States General Accounting Office
Washington, DC 20548

November 30, 2001

The Honorable Constance A. Morella
Chairwoman
Subcommittee on the District of Columbia
Committee on Government Reform
House of Representatives

Subject: District of Columbia: Status of the New Convention Center Project

Dear Madam Chairwoman:

You asked us to provide information on the status of the new convention center project. The Washington Convention Center Authority (WCCA) Act of 1994 authorizes WCCA to construct, maintain, and operate the new convention center as well as maintain and operate the existing convention center. As agreed with your office, we reviewed information related to (1) the status of the new convention center project as of July 2001¹ and (2) the Guaranteed Maximum Price (GMP) agreement.²

Specifically, our objectives were to provide information regarding the status of (1) the new convention center project and GMP negotiations, (2) estimated costs through July 2001 and how they compare to the original budget, including information on the completion schedule and any change in project contingency amounts, (3) ongoing construction, including the effect of the April 2001 steel collapse on the estimated costs and project schedule, and (4) financing sources. In order to meet those objectives, we

- held discussions and obtained information from WCCA officials;
- reviewed WCCA and construction manager (CM) progress reports, visited the construction site, and compared WCCA's current estimates for the project with the original cost estimates of September 1998;³
- reviewed budget documents and held discussions with WCCA officials to obtain reasons for variations in the most recent cost estimates and the original estimates; and
- reviewed the financing plan to determine whether it covers the remaining estimated project costs.

¹This was the most recent information available at the time of our review.

²The most recent information available for the GMP agreement was from September 2001.

³WCCA considers the September 1998 estimate to be the original estimate.

We conducted our work from April through October 2001 in accordance with generally accepted government auditing standards.

On September 18, 2001, we briefed the staff of your Subcommittee on the preliminary results of our review. We agreed to provide you the briefing materials along with a formal transmittal letter and to update the briefing document with any available additional information. This letter transmits material from that briefing, with data updated through July 31, 2001, the most recent information available at the time we prepared this report. The updated briefing slides are included in enclosure 1.

Results in Brief

The revised GMP has not yet been set due to lack of agreement between WCCA and the CM on the project schedule and the estimated costs of pending changes. The GMP—which covers most of the hard costs of actual construction such as masonry, carpentry, and metals, but excludes what are referred to as soft-cost items⁴—is based on a set of agreed-upon assumptions regarding work quantities and unit costs of performing such work. The GMP amount of \$500.6 million will be adjusted to reflect scope of work differences from the baseline assumptions as the project progresses. WCCA and the CM are continuing to negotiate the adjustment to the GMP.

As of July 2001, WCCA's monthly report shows that the total estimated construction cost⁵ for the project is approximately \$778.2 million, including a \$14.6 million contingency amount as a cushion against unforeseen future increases. This represents a \$64.2 million, or 9 percent, increase over the original September 1998 estimate of \$714 million and an increase of \$21.4 million since we reported to the Subcommittee last year.⁶

The increase in the total construction project estimate results from the following. The estimated hard costs have increased by \$57.8 million since project inception due to increases in the metro station upgrade, vendor-provided equipment, utility work costs, removal of contaminated soil, and items within the GMP. The estimated other costs have increased by \$24.9 million due to design fees, consulting and inspections, the metro station upgrade, and other project costs. The estimated project contingency, discussed later in this letter, has decreased by \$15.8 million and estimated additions to the WCCA project budget have decreased by \$2.7 million.

WCCA included a project contingency of \$30.5 million in the September 1998 cost estimate. This original project contingency amount, earmarked for cost increases both inside and outside of the GMP, has been used for known cost increases. As of May

⁴Soft costs are construction-related costs such as design fees, legal costs, and consulting and inspections.

⁵Includes (1) the GMP, (2) hard costs managed outside of the scope of the GMP, and (3) other costs as of July 2001.

⁶*District of Columbia: Status of the New Convention Center Project* (GAO/AIMD-00-262, Aug. 30, 2000).

2001, \$28.3 million of the original \$30.5 million contingency had been used, leaving a contingency balance of \$2.2 million. The project contingency was increased by \$15.7 million in June 2001. In July 2001, \$3.3 million of the estimated contingency was used for hard-cost and soft-cost line item increases resulting in a net balance of \$14.6 million. As discussed later in this letter, estimated financing sources still exceed WCCA's estimated project costs by \$37.5 million as of July 2001.

The estimated project cost of \$778.2 million as of July 2001 does not include ongoing negotiations between WCCA and the CM regarding their cost estimates for pending changes and different estimates for the substantial and final completion dates of the new convention center. Substantial and final completion dates for the new convention center range from early 2003 at earliest to mid-2004 at latest, respectively. The CM is reporting that the estimated pending changes are \$135.2 million as of July 2001. These items are subject to negotiations between WCCA and the CM. WCCA told us that as of July 2001, the additional cost to the GMP could be a 2 to 3 percent increase over the existing GMP estimate (\$519.4 million), which could result in a \$10.4 million to \$15.6 million increase.

In response to a draft of this briefing, WCCA's Managing Director/Development stated that the CM has agreed in principle to withdraw approximately \$109 million associated with pending changes recently shown in the CM's job status reports when the GMP is reset. According to WCCA, the remaining \$26 million will be resolved with the subcontractors in due course, and the reset GMP will include funding reserves for those pending amounts that were not released. To the extent that pending changes are settled for more than the reserves in the GMP, WCCA will be responsible for such increases. WCCA has stated that based on the status of negotiations and WCCA's current estimate, it is believed that the project's total budget after being adjusted to reflect the reset GMP will be within the funding sources available to WCCA for this project.

According to WCCA officials, the April 2001 collapse of steel roof trusses was caused by improper stabilization of one truss, coupled with a strong wind. WCCA has reported that the collapse will have little or no impact on the costs or the project schedule because the builders' insurance covered the costs of the damaged and replacement steel and the schedule acceleration necessary to overcome any delays. According to WCCA officials, the facility is 46 percent complete versus the 51 percent expected by September 2001. In response to a draft of this briefing, WCCA's Managing Director/Development stated that the variance is the result of the following two issues: (1) the CM deferred the construction of the middle building until the north building was completed and (2) for various reasons that WCCA could not control, the metro station upgrade work was started later than anticipated.

Finally, WCCA's estimated financing sources available to complete the new convention center project are \$815.7 million. As of July 31, 2001, WCCA has received \$770.9 million in funding and anticipates receiving an additional \$44.8 million. The majority of the anticipated funding consists of three components: vendor reimbursements not yet negotiated, federal highway funds, and equity contributions from dedicated tax revenues. Equity contributions not yet received represent the estimate of dedicated taxes to be collected in fiscal year 2002 above the amounts needed to fund operations of the existing convention center and debt service on the bonds of the new facility. In

response to a draft of this briefing, WCCA's Managing Director/Development stated that WCCA will make the equity contribution of \$10 million in November 2001, which would increase funding received to \$780.9 million and decrease the remaining anticipated funding to \$34.8 million.

WCCA officials acknowledge that recent events, such as the terrorist attacks of September 11, could adversely affect the amount of dedicated taxes collected if any period of national and international economic uncertainty is prolonged. In response to a draft of this briefing, WCCA's Managing Director/Development stated that the District of Columbia's Office of Tax and Revenue is responsible for estimating WCCA's share of the dedicated tax receipts. A new forecast, reflecting the impact of the events of September 11, has not yet been submitted to WCCA. As of July 31, 2001, estimated financing sources were \$815.7 million and total estimated project costs were \$778.2 million, which left an estimated residual of \$37.5 million. WCCA officials told us that they remain confident that the \$815.7 million in financing would be sufficient to cover the currently estimated construction costs of \$778.2 million. As stated earlier, negotiations between WCCA and the CM about the pending changes were ongoing at the time this report was being finalized.

We provided WCCA a copy of the transmittal letter and slides for comment. WCCA generally agreed with the contents of the briefing slides. WCCA also provided some technical comments and clarifications which we have incorporated as appropriate throughout the briefing slides.

As you have requested, we will continue to keep you apprised of information on (1) changes in cost estimates and the adequacy of project financing to cover any increases, (2) progress of WCCA efforts toward reaching agreement with the CM on the GMP, (3) the final settlement amount for the value of potential change orders reported by the CM, (4) determination of the actual completion date for the new convention center, and (5) any ongoing differences between WCCA and the CM regarding the above.

We are sending copies of this report to Senator Robert Byrd, Senator Mike DeWine, Senator Richard J. Durbin, Senator Mary Landrieu, Senator Joseph I. Lieberman, Senator Ted Stevens, Senator Fred Thompson, Senator George V. Voinovich, Representative Dan Burton, Representative Chaka Fattah, Representative Joe Knollenberg, Delegate Eleanor Holmes Norton, Representative David R. Obey, Representative Todd R. Platts, Representative Henry Waxman, and Representative C.W. (Bill) Young in their capacities as Chair or Ranking Minority Member of Senate and House Committees and Subcommittees. Copies will be made available to others upon request.

This letter will also be available on GAO's home page at <http://www.gao.gov>.

If you have any questions, please contact me at (202) 512-9450, or by e-mail at steinhoffj@gao.gov or Jeanette M. Franzel, Acting Director, at (202) 512-9471. Key contributors to this letter were Keith A. Thompson, Terrell G. Dorn, Arkelga L. Braxton, Maria D. Edelstein, Julia J. Ziegler, and Bridget A. Skjoldal.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Jeffrey C. Steinhoff". The signature is written in a cursive style with a large initial "J" and a long horizontal stroke at the end.

Jeffrey C. Steinhoff
Managing Director
Financial Management and Assurance

Enclosure



Financial Management and Assurance Team



Washington's New Convention
Center

District of Columbia Government: Status of the New Convention Center Project

Briefing for the Staff of the Subcommittee
on the District of Columbia

1



Introduction

- You asked us to provide periodic status reports on the construction of the new convention center. As agreed with your staff, this update on the new convention center's status will include:
 - the status of the Guaranteed Maximum Price (GMP),
 - the changes in Washington Convention Center Authority (WCCA's) estimated project costs,
 - the change in project contingency amount,
 - the status of ongoing construction, and
 - the status of financing sources.

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Objectives

- Our objectives were to:
 - Determine the status of the new convention center project and GMP negotiations.
 - Provide information on estimated costs through July 2001 and how they compare to the original budget, including information on the completion schedule and project contingency amounts.
 - Provide information on the status of ongoing construction, including the effect of the April 2001 steel collapse on the cost and project schedule.
 - Provide information on whether the financing plan will, in all likelihood, cover estimated project costs.

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Background

- The Washington Convention Center Authority Act of 1994 authorizes WCCA to construct, maintain, and operate the new convention center as well as maintain and operate the existing convention center.
- The WCCA's Managing Director/Development oversees the contract and the construction with the assistance of the program manager, which is made up of primarily three consulting groups and several subcontractors.
- The construction manager (CM) is responsible for the construction of the new convention center.

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Background

- The architect/engineering team is composed of three principal architectural firms and several subcontractors that designed the new convention center.
- The new convention center plans call for a total of 2.3 million gross square feet, including about 730,000 square feet of prime exhibit space. The current convention center has 800,000 square feet, with 381,000 square feet of prime exhibit space.
- Based on the amount of prime exhibit space, the new convention center is projected to rank sixth in size in the United States when completed.

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Scope and Methodology

- To determine the status of the new convention center project and its estimated costs and financing plan, we
 - Held discussions with and obtained information from various officials of WCCA, and its representatives.
 - Reviewed WCCA and CM progress reports, visited the construction site, and compared WCCA's July 2001 unaudited cost estimates for the project with the cost estimates as of September 1998.¹

¹WCCA considers the September 1998 estimate to be the original estimate.

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Scope and Methodology

- Reviewed budget documents and held discussions with WCCA officials to obtain reasons for variations in the most recent cost estimates and the original estimates.
- Reviewed the financing plan to determine whether it covers the remaining estimated project costs.

We conducted our work from April through October 2001 in accordance with generally accepted government auditing standards and considered the results of our most recent work, which were reported to you last year.²

²*District of Columbia: Status of the New Convention Center Project* (GAO/AIMD-00-262, Aug. 30, 2000).

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Results in Brief

- As of November 13, 2001, WCCA and the CM were continuing to negotiate the project schedule and estimated costs.
- As of July 2001, the GMP estimate, which includes most but not all of the hard costs related to the facility, was approximately \$519.4 million. The current estimate represents a \$18.8 million increase over the original GMP amount of \$500.6 million.
- The CM has identified an additional \$135.2 million in potential changes to construction costs that are subject to negotiation. WCCA has estimated that after negotiations, these costs could result in an additional 2 to 3 percent increase to the GMP costs (\$10.4 million to \$15.6 million).

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Results in Brief

- As of July 2001, WCCA's current total estimated construction cost, which includes the GMP, hard costs, and other costs, was approximately \$778.2 million. This represents a \$64.2 million increase over the September 1998 estimate of \$714 million and an increase of \$21.4 million over the estimate at the time of our August 30, 2000, report.
- Based on information provided by WCCA officials, the April 2001 collapse of steel roof trusses was caused by improper stabilization of one truss coupled with a strong wind.
- WCCA has reported that the collapse of the steel roof trusses will have little or no impact on the costs or the project schedule because it is largely covered by insurance.

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Results in Brief

- WCCA and the CM have different estimates for the substantial and final completion dates.
- WCCA's July 2001 report shows substantial and final completion dates will be February 4, 2003, and May 7, 2003, respectively.
- The CM report³ shows dates about 5 to 6 months later, and 13 to 14 months later, respectively, depending on the effect of design delays.

³This information was contained in the CM's July 2001 report, which indicates that these dates are based on information as of March 2001.

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Results in Brief

- As of July 31, 2001, estimated financing sources of \$815.7 million were available to complete the new convention center project. WCCA officials said they believe this amount will be sufficient to cover estimated construction costs of \$778.2 million as of July 2001.
- As of July 31, 2001, WCCA had received \$770.9 million in funding and anticipated receiving an additional \$44.8 million.
- WCCA stated that it will make an equity contribution of \$10 million in November 2001, which will increase the funding received to \$780.9 million and decrease the future anticipated funding to \$34.8 million.



Results in Brief

- The WCCA acknowledges that in light of recent events, such as the terrorist attacks of September 11, the amount of dedicated taxes estimated to be collected could be adversely affected during a prolonged time of national and international economic uncertainty.
- We requested comments on a draft of these briefing slides from WCCA's Chief Financial Officer and Managing Director/Development, who generally agreed with the contents of the briefing. They also provided technical comments and clarification which we have incorporated throughout the briefing slides.

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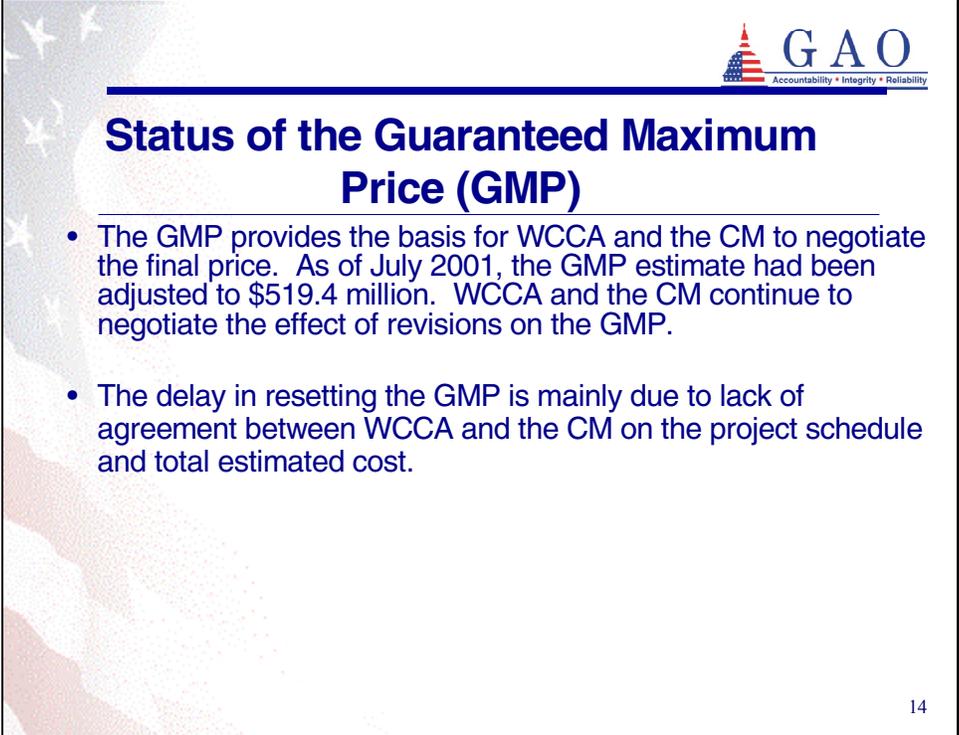


Status of the Guaranteed Maximum Price (GMP)

- As of November 13, 2001, the GMP had not yet been set, and WCCA and the CM are continuing to negotiate. Under the terms of the construction management services agreement between WCCA and the CM, the CM originally submitted a GMP proposal to WCCA in the amount of \$500.6 million on May 22, 1998.
- The GMP proposal includes actual construction costs such as site work, concrete, and metals but excludes soft-cost items.⁴ It is based on a set of agreed-upon quantity and unit price assumptions. The original GMP amount of \$500.6 million will be adjusted to reflect quantities and costs that differ from the baseline assumptions as the project progresses.

⁴Soft costs are construction costs that are not related to the physical structure of the facility, such as design fees, legal costs, and consulting and inspections.

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Status of the Guaranteed Maximum Price (GMP)

- The GMP provides the basis for WCCA and the CM to negotiate the final price. As of July 2001, the GMP estimate had been adjusted to \$519.4 million. WCCA and the CM continue to negotiate the effect of revisions on the GMP.
- The delay in resetting the GMP is mainly due to lack of agreement between WCCA and the CM on the project schedule and total estimated cost.

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Status of the Guaranteed Maximum Price (GMP)

- WCCA and the CM monthly reports for July 2001 show the following:
- As of July 2001, the CM had approximately \$135.2 million in submitted and unsubmitted change orders pending, which were not included in the July 2001, \$778 million construction cost estimate. These items are subject to WCCA and the CM negotiating a reset GMP.
- As of July 2001, WCCA told us that there could be an additional 2 to 3 percent risk factor of potential increase to the GMP cost. Those percentages applied to the July 2001 GMP amount (\$519.4 million) could result in a \$10.4 million to \$15.6 million increase.

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Status of the Guaranteed Maximum Price (GMP)

- In response to a draft of this briefing, WCCA's Managing Director/Development stated that the CM agreed in principle to withdraw \$109 million of the pending changes when the GMP is finalized. The remaining \$26 million in changes will be resolved with the subcontractors in due course. The final GMP will include funding reserves for pending amounts that were not released.
- WCCA's Managing Director/Development stated that to the extent that changes are settled for more than the amount included in the GMP, WCCA will be responsible for such increases. Based on the status of the negotiations, WCCA believes that the project's total budget, after being adjusted to reflect the reset GMP, will be within the funding sources available to WCCA for this project.

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Estimated Cost

- As of July 2001, WCCA's current total estimated construction cost was approximately \$778.2 million, which represents a \$64.2 million increase over the September 1998 estimate of \$714 million (see tables 1 and 2). Also, this represents a \$21.4 million increase since our August 30, 2000, report.

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Estimated Cost Table

Table 1: Comparison of WCCA's Unaudited Estimated Costs for the New Convention Center
as of September 1998 and July 2001
(Dollars in thousands)

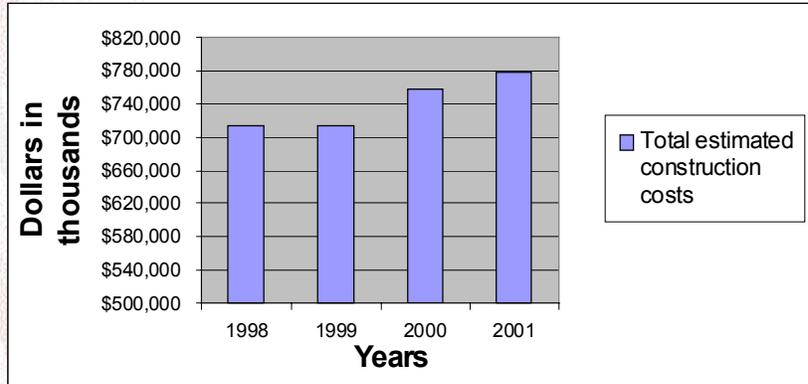
Project component	Estimate as of 9/1998	Estimate as of 7/2001	Increase (decrease)	Percent of change
WCCA-estimated hard costs ⁵	\$505,600	\$563,422	\$57,822	11.4
WCCA-estimated other costs	118,903	143,815	24,912	21.0
Contingency	30,497	14,634	(15,863)	(52.0)
Estimated additions to WCCA project budget	59,000	56,338	(2,662)	(4.5)
Total estimated construction costs	714,000	778,209	64,209	9.0

⁵Hard costs are construction costs related to the physical structure of the facility, such as masonry, concrete, and structural steel.

Source: WCCA records.



Table 2: Changes in Estimated Construction Costs



Source: WCCA records.



WCCA's Total Estimated Project Costs and Changes

- The estimated hard costs⁶ have increased by \$57.8 million since the project's inception.
- Included in the increase is \$27.2 million, which is attributable to the following:
 - Metro station upgrade,
 - Vendor-provided equipment (audio-visual, telecommunications, and food service), and
 - Utility work costs that were not included in the original scope of the project.

⁶This increase includes \$18.8 million of settled and estimated changes thus far under the GMP plus an additional \$39 million which, while also managed by the CM, is controlled outside of the scope of the GMP.

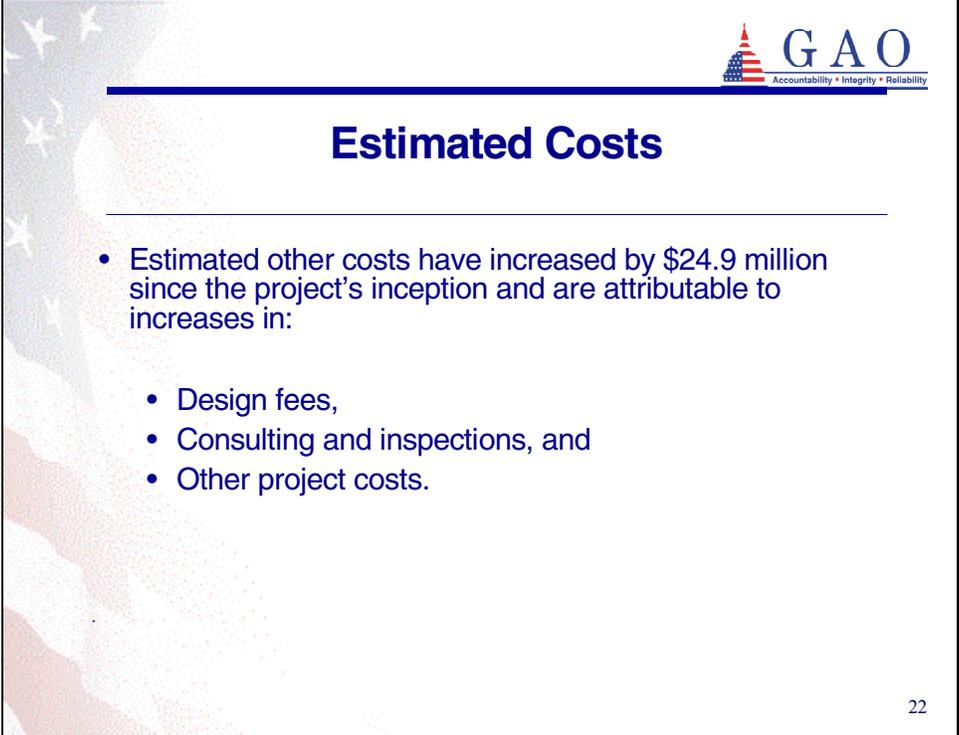
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Estimated Costs

- Approximately \$11.8 million of the hard-cost increase resulted from the need to remove more contaminated soil than was originally anticipated.
- The remaining \$18.8 million in hard-cost increases to the GMP represent WCCA's estimate of potential cost increases for changes and revisions to trade line items such as concrete, masonry, metals, and carpentry.

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The slide features a background of a stylized American flag with stars and stripes. In the top right corner, the GAO logo is displayed, consisting of a small American flag icon followed by the letters "GAO" in a large, bold, serif font. Below "GAO" is the tagline "Accountability • Integrity • Reliability" in a smaller, sans-serif font. A thick blue horizontal line is positioned below the GAO logo.

Estimated Costs

- Estimated other costs have increased by \$24.9 million since the project's inception and are attributable to increases in:
 - Design fees,
 - Consulting and inspections, and
 - Other project costs.

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Change in Project Contingency Amount

- The project contingency is an estimate in the project's budget that is earmarked for cost increases both inside and outside the GMP for which WCCA is responsible.
- As of May 2001, \$28.3 million of the original \$30.5 million estimated contingency had been used for specific purposes, leaving a contingency balance of \$2.2 million.
- In June 2001, WCCA increased the contingency estimate by \$15.7 million. In July 2001, \$3.3 million of the estimated contingency was used for hard-cost and soft-cost line item increases resulting in a net balance of \$14.6 million as of July 2001.

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Status of Ongoing Construction

- WCCA officials provided the following information about the collapse of steel roof trusses:
 - In April 2001, several steel roof trusses located in the Middle Building on the M Street side of the construction site collapsed (see figures 1, 2, and 3).
 - The collapse has been attributed to improper stabilization of a truss coupled with a strong wind.
 - WCCA suspended construction for a day to perform an assessment and investigation.

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Status of Ongoing Construction

- The insurer agreed to cover the costs of removing damaged steel and installing replacement steel.
- WCCA reported that no time delays to the new convention center have resulted from the collapse.
- WCCA also reported that its loss from the collapse was the \$10,000 deductible that the insurance policy requires.

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Figure 1: Steel Collapse--April 2001



A pictorial view of the collapsed steel with the North building in the background.

Figure 2: Steel Collapse--April 2001



A pictorial view of the collapsed steel from the 9th Street side.

Figure 3: Steel Collapse--April 2001



A close-up of one of the steel trusses involved in the collapse.



Reported Status of Ongoing Construction

- Date of completion
 - WCCA's July 2001 report shows that substantial⁷ and final⁸ completion dates for the Convention Center will be February 4, 2003, and May 7, 2003, respectively.
 - The CM is reporting that the substantial and final completion dates are July 8, 2003, and November 6, 2003, respectively. The CM further states that if design delays continue, the substantial and final completion dates could be March 12, 2004, and July 11, 2004. This information was contained in the CM's July 2001 report, which indicates that these dates are based on information as of March 2001. See table 3 for a comparison of completion dates.

⁷Substantial completion is defined as obtaining occupancy permits for all three buildings and having those buildings available for operations, except for minor items identified by WCCA that have not yet been completed.

⁸Final completion is defined as the completion of all three buildings and minor items identified by WCCA. 29



Table 3: Comparison of WCCA and the CM Estimated Completion Dates

Dates	WCCA estimate	CM estimate 1	CM estimate 2 ^a
Substantial completion	February 4, 2003	July 8, 2003	March 12, 2004
Final completion	May 7, 2003	November 6, 2003	July 11, 2004

^a Estimate 2 considers the impact of continuing design delays.



Reported Status of Ongoing Construction

- WCCA has instructed the CM to prepare and forward to subcontractors a schedule that would result in completion of the new convention center within the WCCA-reported milestone. The CM has notified its subcontractors but has not entered into a contractual obligation with WCCA for this schedule.
- The CM partially attributes the projected delays to design changes, incomplete designs, and delays in shop drawings. The CM reports that these issues may result in increased costs and/or time delays.
- WCCA officials stated that they do not agree with the CM's assessment of the design delays or its estimated substantial and final completion dates.

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Status of Ongoing Construction

- WCCA officials stated that as of September 2001, the construction of the new convention center was 46-percent complete as opposed to the planned 51-percent completion as of this date.
- In response to a draft of this briefing, WCCA's Managing Director/Development stated that the variance is the result of the following two issues: (1) the CM deferred the construction of the middle building until the north building was completed and (2) for various reasons that WCCA could not control, the metro station upgrade work was started later than anticipated.



Status of Ongoing Construction

- Metro station
 - As of July 2001, WCCA estimated project costs related to the metro station were \$33.4 million.
 - In comparison, the Washington Metropolitan Area Transit Authority (WMATA) estimated costs of approximately \$29 million to \$30 million. WMATA's funding for the station is solely from the congressional contribution (\$25 million) and interest earned from that contribution. The intent of WMATA's plans and estimates is to eliminate any potential need for supplemental funds from WCCA.
 - WCCA officials stated that the estimated \$4 million difference between the WCCA and WMATA estimates was attributable to: (1) WMATA scope work that required coordination with WCCA, such as slurry wall construction, and (2) the external part of the station, which is outside of WMATA's scope but within WCCA's plans.

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Financing

- WCCA's estimated financing sources to complete the new convention center were \$815.7 million as of July 31, 2001.
- As of July 31, 2001, WCCA had received \$770.9 million in funding and anticipated receiving an additional \$44.8 million, most of which is covered in three sources:
 - \$10 million of vendor reimbursements that have yet to be negotiated. Accordingly, final amounts can not be determined until these negotiations take place.
 - \$19.5 million of federal highway grants.



Financing

- \$10 million in equity contributions, which represents the estimate of the amount of dedicated tax revenues that will be collected in fiscal year 2002 above the amounts needed for operations of the existing convention center and debt service on the bonds of the new facility.
- In response to a draft of this briefing, WCCA's Managing Director/Development stated that WCCA will make the equity contribution of \$10 million in November 2001, which would increase funding received to \$780.9 million and decrease the anticipated future funding to \$34.8 million.
- Dedicated taxes are certain District sales and use taxes that are transferred to WCCA to construct and operate the convention center and redeem the bonds. These taxes consist of a 4.45 percent hotel sales tax and a 1 percent restaurant tax and rental vehicle tax.

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Financing

- The WCCA acknowledges that in light of recent events, such as the terrorist attacks of September 11, the amount of dedicated taxes estimated to be collected could be adversely affected during a prolonged time of national and international economic uncertainty.
- In response to a draft of this briefing, WCCA's Managing Director/Development stated that the District of Columbia's Office of Tax and Revenue is responsible for estimating WCCA's share of the dedicated tax receipts. A new forecast reflecting the impact of the events of September 11 has not yet been submitted to WCCA.
- As of July 2001, estimated financing sources were \$815.7 million and total estimated construction costs were \$778.2 million, which leaves an estimated residual of \$37.5 million.

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Financing

- WCCA has stated that the funding sources are sufficient to cover its current estimated construction costs of \$778.2 million to complete the new convention center. However, as stated previously the negotiations are ongoing regarding the pending changes and the GMP.

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Agency Comments

- WCCA generally agreed with the contents of our briefing slides. WCCA provided some technical comments and clarifications which we have incorporated as appropriate throughout the briefing slides.

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